59th Medical Wing

U.S. AIR FORCE

59 MDW Rheumatology Product Line Analysis

Information Brief
Briefer: LtCol Julian
Date: 3 Feb 05

Overview

- Revised Financing & Business Plan
- San Antonio Multi-Service Market (SA-MM)
- Centralized Consult Management and Appointing (CAMO)
- Neurology Product Line Review

Revised Financing Overview
Prospective Payment System

- **Goal 1**: Provide Care of your Prime Enrollees
  - In-house vs. “make vs. buy” to Private Sector
  - MTF responsible for all PRIME care rendered in both direct care and private sector
- **Goal 2**: Earn Revenue on Fee for Service (FFS) Basis
  - Other MTFs’ Enrollees, Space-A (Active duty and other), Tricare Plus and TRICARE for Life, and MCSC (new)
- **Bottom-line**: We need to take care of our enrollees and meet our business plan targets; Focus on Customer Satisfaction, Access to Care, Productivity, and Data Quality

Business Plan Overview
Actual **59 MDW** Performance Oct-Jul 04

RVUs	IHC	Other DC	PC	Total PRIME	Other Enr	SA AD	SA NAD	Plus	Total FFS
Actual	256,130	16,071	55,388	327,589	79,986	72,278	48,866	104,149	305,279
Target	286,272	25,624	44,248	356,144	94,336	110,488	95,384	74,136	374,344
Diff	(30,142)	(9,553)	11,140	(28,555)	(14,350)	(38,210)	(46,518)	30,013	(69,065)
% Met	89%	63%	125%	22%	77%	44%	109%	140%	82%

RWPs	IHC	Other DC	PC	Total PRIME	Other Enr	SA AD	SA NAD	Plus	Total FFS
Actual	2,633	225	344	3,202	1,854	290	3,262	2,877	8,283
Target	2,856	280	368	3,504	2,088	440	4,864	2,072	9,464
Difference	(223)	(55)	(24)	(302)	(234)	(150)	(1,602)	805	(1,181)
% Met	92%	80%	93%	91%	89%	66%	67%	139%	88%

⇨ Bottom-line: -$9.4M

- Performance against targets seen differently for PRIME & FFS patients
- FY04 Targets based on FY02 LOE with no adjustments
- FY05: 25% “At Risk”; FY06: 50%...

Source: P2R2 Virtual Analyst website

SA-MM Overview
Goals & Objectives

- San Antonio Multi-Service Market (SA-MM) consists of WHMC, BAMC, Randolph Clinic, and Brooks Clinic
- Goals: Achieve the following desired end states
  - Optimize efficiency between direct and purchased care markets
  - Eliminate duplicate services
  - Increase synergy and cooperation among San Antonio MTFs
  - Ensure patient satisfaction with access and quality service
  - Strengthen Readiness by allocating the appropriate mix of resources
- Objectives
  - Optimize provider mix across specialty lines
  - Move providers and add facility capacity to meet population demands
  - Conduct rigorous business planning for clinical service lines
  - Optimize Third Party Billing, Contracting and Pharmacy
  - Establish a SA-MM Consult, Appointment and Management Office

CAMO Benefits

- Recapture Prime Leakage through more effective utilization of Market resources
- Provide “Entire Market” approach to appointment and referral processes
- Eliminates competition between MTFs and encourages cooperation
  - Encourages consolidation of clinical service lines
  - Facilitates GME (free movement of patients and staff between MTFs)
- Provides single POC for coordination between Purchased Care System and MTFs on referrals

Rheumatology
Product Line Analysis

- Clinic Description
- Manpower and Staffing
- Readiness/Mobility Taskings
- Access to Care
- Template Review and Workload over Time
- PRIME Leakage, PSC Use, and Market Share
- Coding Analysis
- Comparison to Civilian Benchmark
- Business Plan Implications
- Third Party Collections
- Customer Satisfaction
- Stoplights

Rheumatology
Clinic Description

- Services provided at both WHMC & BAMC
- WHMC Service
  - Diagnostic and therapeutic clinic for both inpatient and outpatient pediatric, adult, and geriatric patients with known/suspected rheumatologic problems
  - Operates only biologic infusion center in AF and DoD
    - Significant cost savings to Air Force/WHMC
  - Mandated to see all AF pilot referrals world-wide
  - Only subspecialty consult service where staff physicians take primary call in addition to follows

Rheumatology
GME Responsibilities

- Sole AF Rheumatology fellowship training program; sole source of ADAF rheumatologists since 1993
  - Exposure is a requirement for Internal Medicine anew Orthopedic residents
    - Also supports Internal Medicine residents as IM staff on inpatient ward teams
    - Also supports pediatric and dermatology residents and USUHS student core rotations
- Need 3 Rheumatology staff to maintain fellowship training program
  - Unable to sustain deployments or training program without 3 full-time Rheumatology staff (4 total staff; includes 1 contractor)
  - See back-up slides for more discussion
  - Last Accreditation Jun 2000
  - 5 years without citations
  - 100% board certfiied; 90th percentile nation-wide

Rheumatology Staffing

	Authorized				Assigned				
	Mil	**GS Civ**	**Total**		**Mil**	**GS Civ**	**Contract**	**Total**	**Staffing**
Staff	4	0	4		3	0	1	4	100%
RN 46N3	0	0	0		0	0	0	0	0%
4N0 LVNs*	3	0	3		0	0	0	0	0%
4A0 Admin	2	0	2		1	0	0	1	50%
Total Support	5	0	5		1	0	0	1	20%

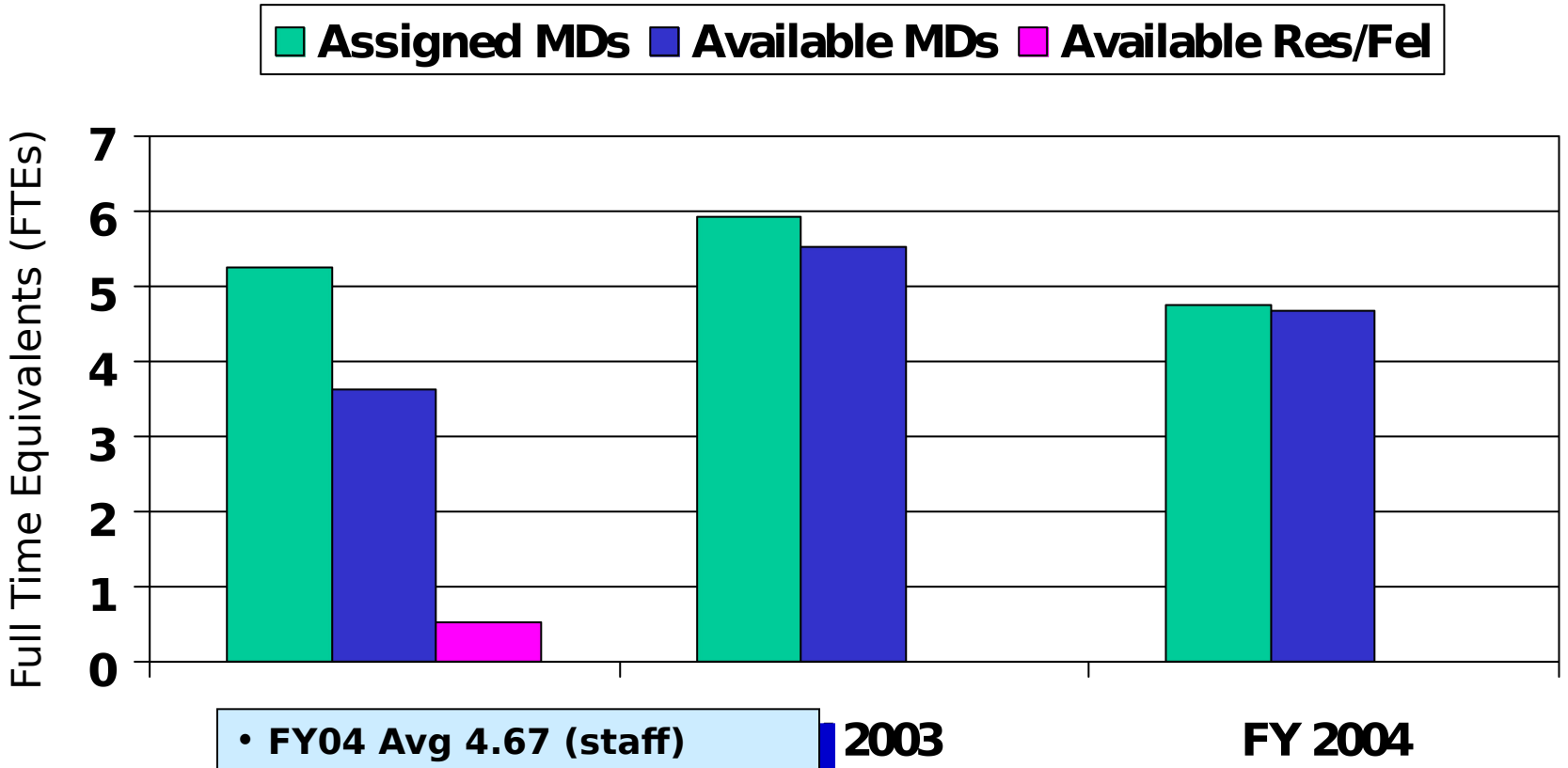
4 Physicians

Col Ramon Arroyo (retiring Oct 05)
Maj David True (Flt/CC)
Maj Jeffrey Feinstein (DMARD OIC)
Dr. Jay Higgs (down to half time soon)
Fellow: Maj Michael Bond

Unable to fill all AF rheumatology slots due to manpower shortage;

likely will lose 2 AF staff in next 2 years

Rheumatology
Assigned/Available MDs (MEPRS)



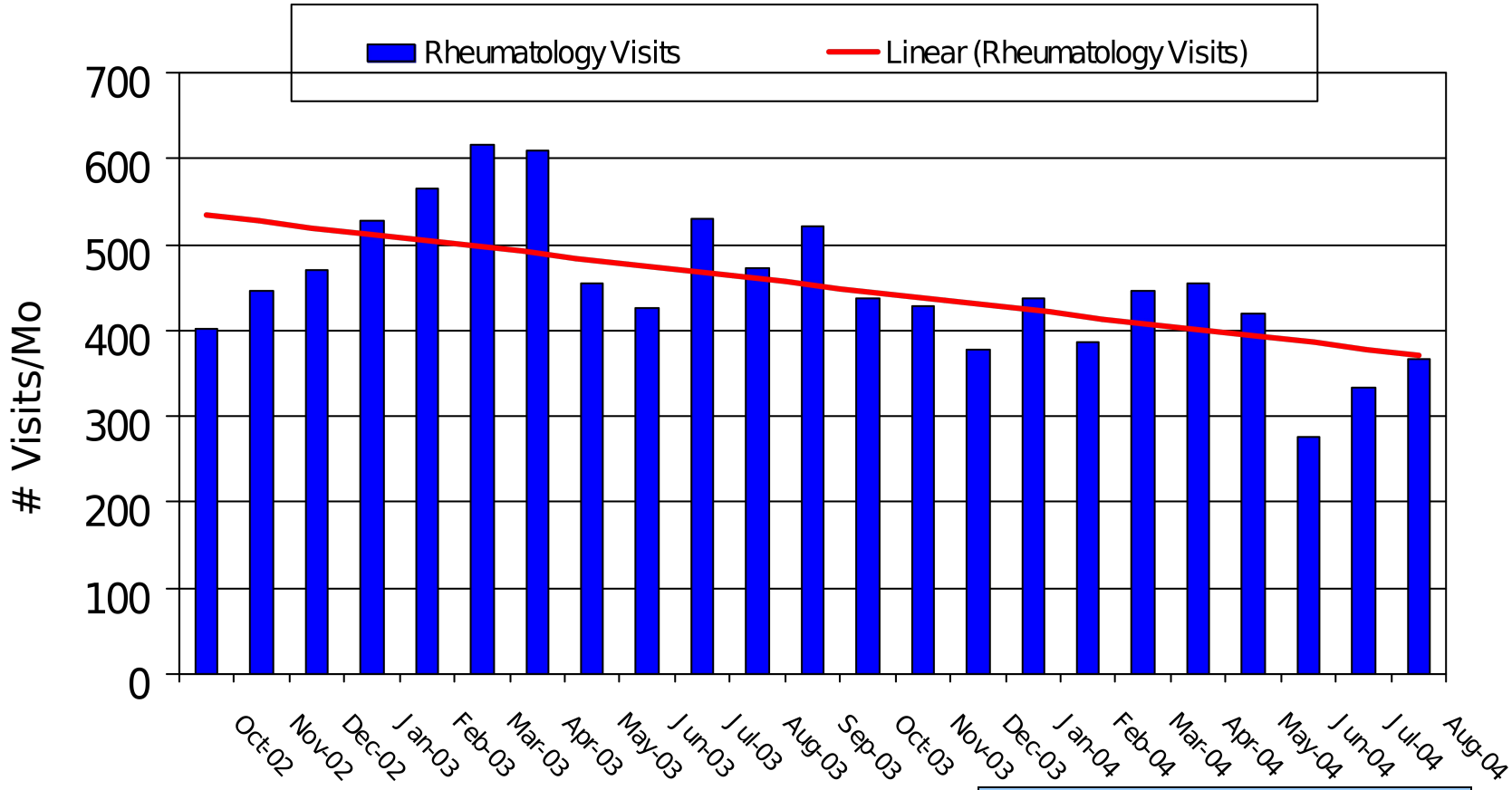
- **FY04 Avg 4.67 (staff)**
- **Estimate:**
  - **3 AD x 0.7 factor = 2.1***
  - **1 Contract x 1 factor = 1**
  - **Estimate: 3.1 Avail FTEs**

** May be less; 1 AD is PD*

Rheumatology
Mobility and Other Deployments

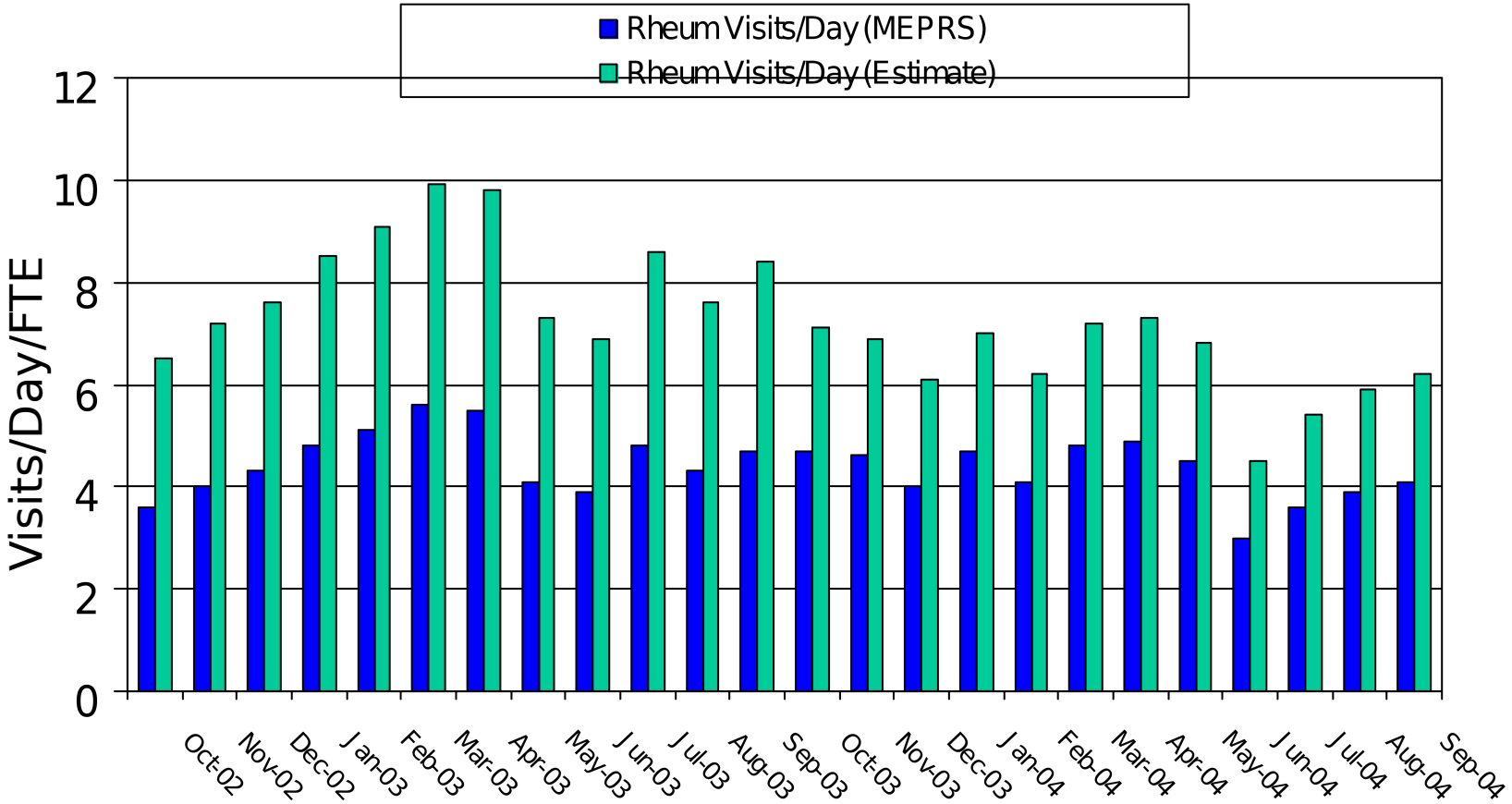
- Physician Deployments (SGX Database)
  - FY03:
    - 0 deployments
  - Taskings in Turtle Model: As 44M3 (Int Med) Substitute
      - Basic: 2 per cycle (3 x 2 x 120) = 720 days *
      - Aug: 2 per cycle (3 x 2 x 120) = 720 days *
    - FY04 Actual: None
    - FY05 Planned (to date): Feinstein (Sep 05 – Jan 06)
    - FY06 Planned (to date): True (Jan 06 – May 06)
  - Humanitarian and Civic Assistance
    - None

Rheumatology
Total OP Visits FY03-FY04



- FY04 Avg: 396/mo
- FY03 Avg: 504/mo
  - Change: -21%

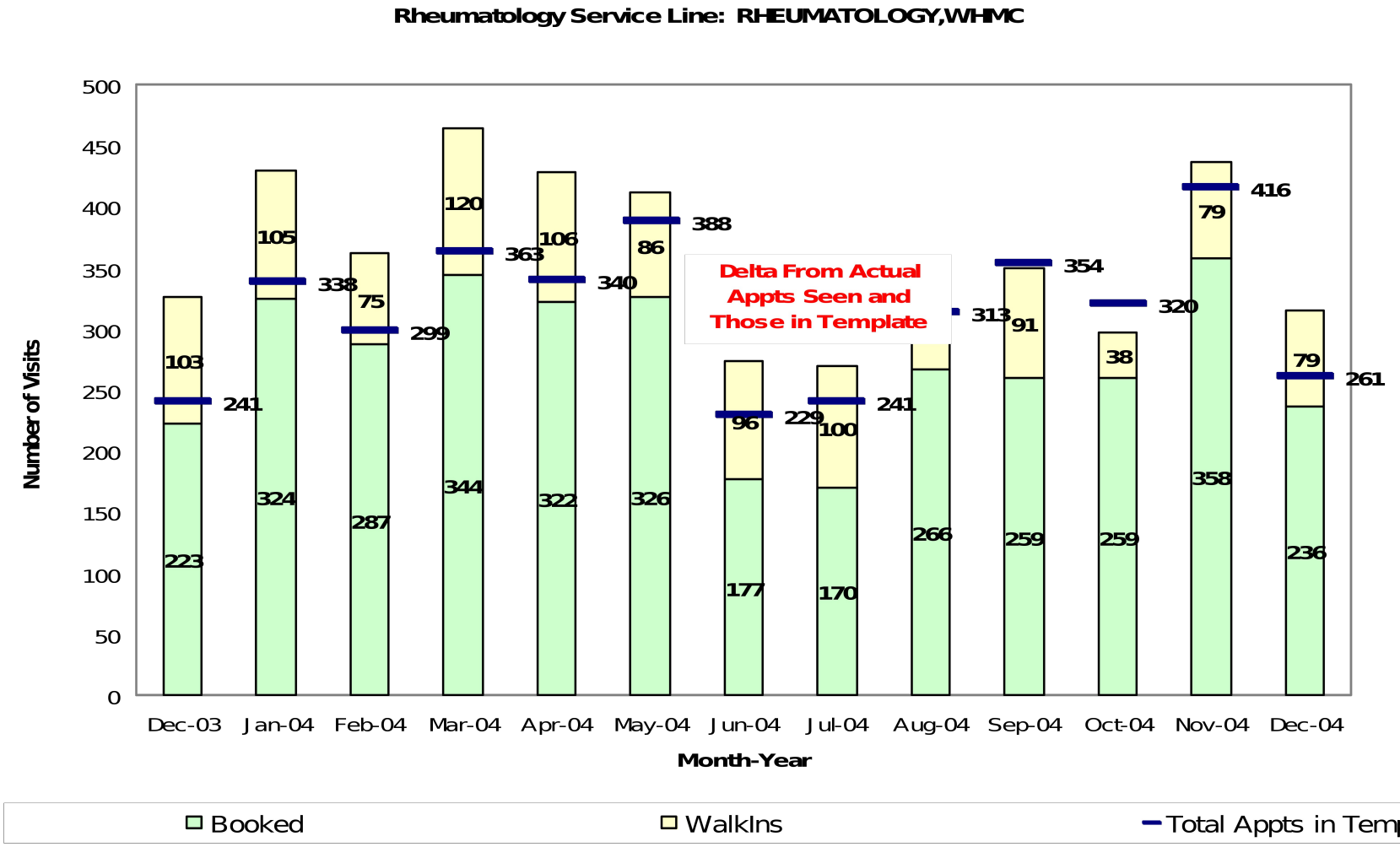
Rheumatology
Total OP Visits/Day/FTE*



- *Monthly x MEPRS Avail @ 20 days/mo*
  - *This is what Air Staff sees when they look at Visits divided by MEPRS available*
- *Estimate: 3.1 Avail*

- FY03 Avg: 4.2 day/FTE
- FY04 Avg: 4.6 day/FTE (-9%)

Rheumatology
Templates (Dec 03 – Dec 04)

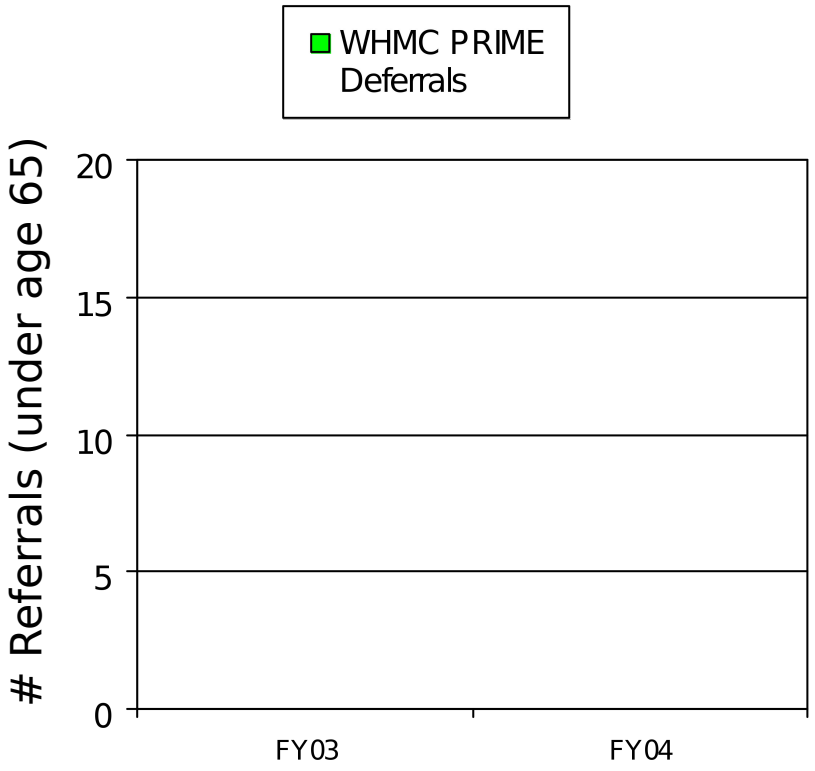


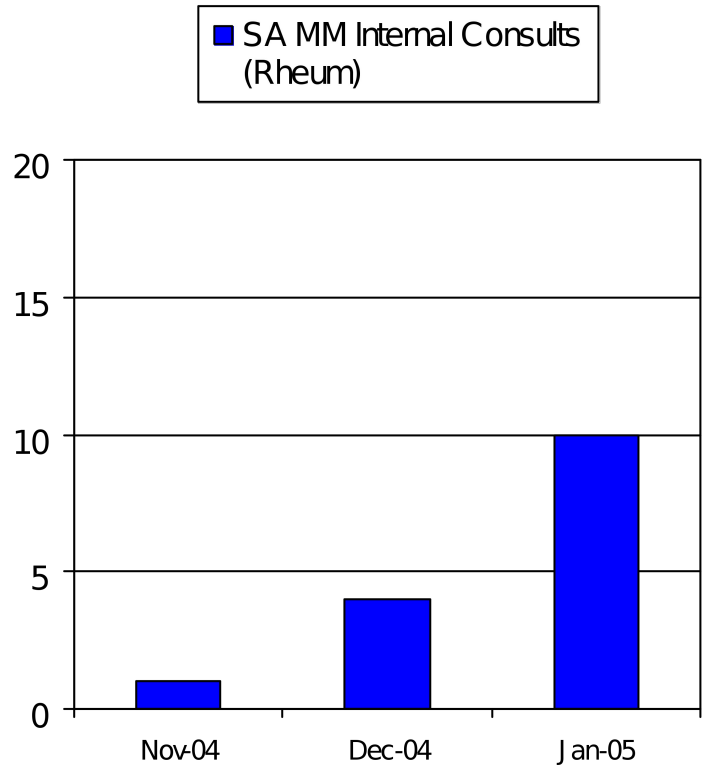
Rheumatology
Access to Care

- Standard for Specialty Appointments: 28 days
    - Avg Wait Time: 23.23 days

- **Meeting standard** for routine access to specialty care

Rheumatology
PRIME Containment & Referrals (OP)





15 <65 PRIME Deferrals since Nov 04

Rheumatology
Outpatient Market Share

- In FY03, WHMC and BAMC had **66%** of the outpatient market share
  - WHMC CMAC*: $244K
  - BAMC CMAC: $247K
- FY04 Claims are approx. 95% complete

Category	FY03	FY04 (>95%)
AD	$ 9,188	$ 8,419
BAMC Prime	$ 49,657	$ 77,818
WHMC Prime	$ 69,307	$ 39,691
Other MTFs	$ 16,776	$ 18,800
Network PRIME	$ 38,470	$ 59,118
Standard <65	$ 70,919	$ 76,651
Total <65	$ 254,317	$ 280,497

Data above represent claims filed by enrollment category for SA-Area beneficiaries
Referrals to Rheum are indirect

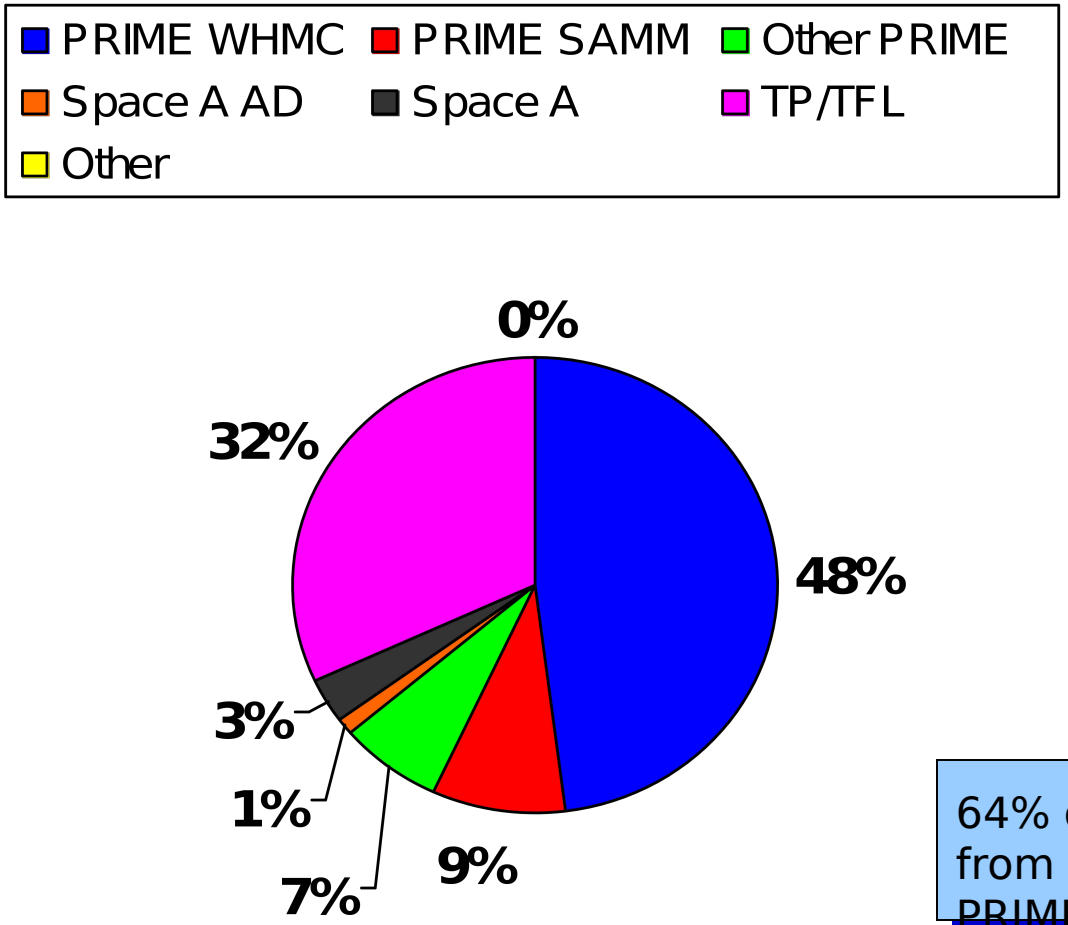
* CMAC: Champus Maximum Allowable Charge
Quantifies “Value of Care” based on coding/procedures, etc.

Rheumatology
Coding Analysis

- Data Quality* (Goal: 90% or more)
- No data provided by WHMC Coding

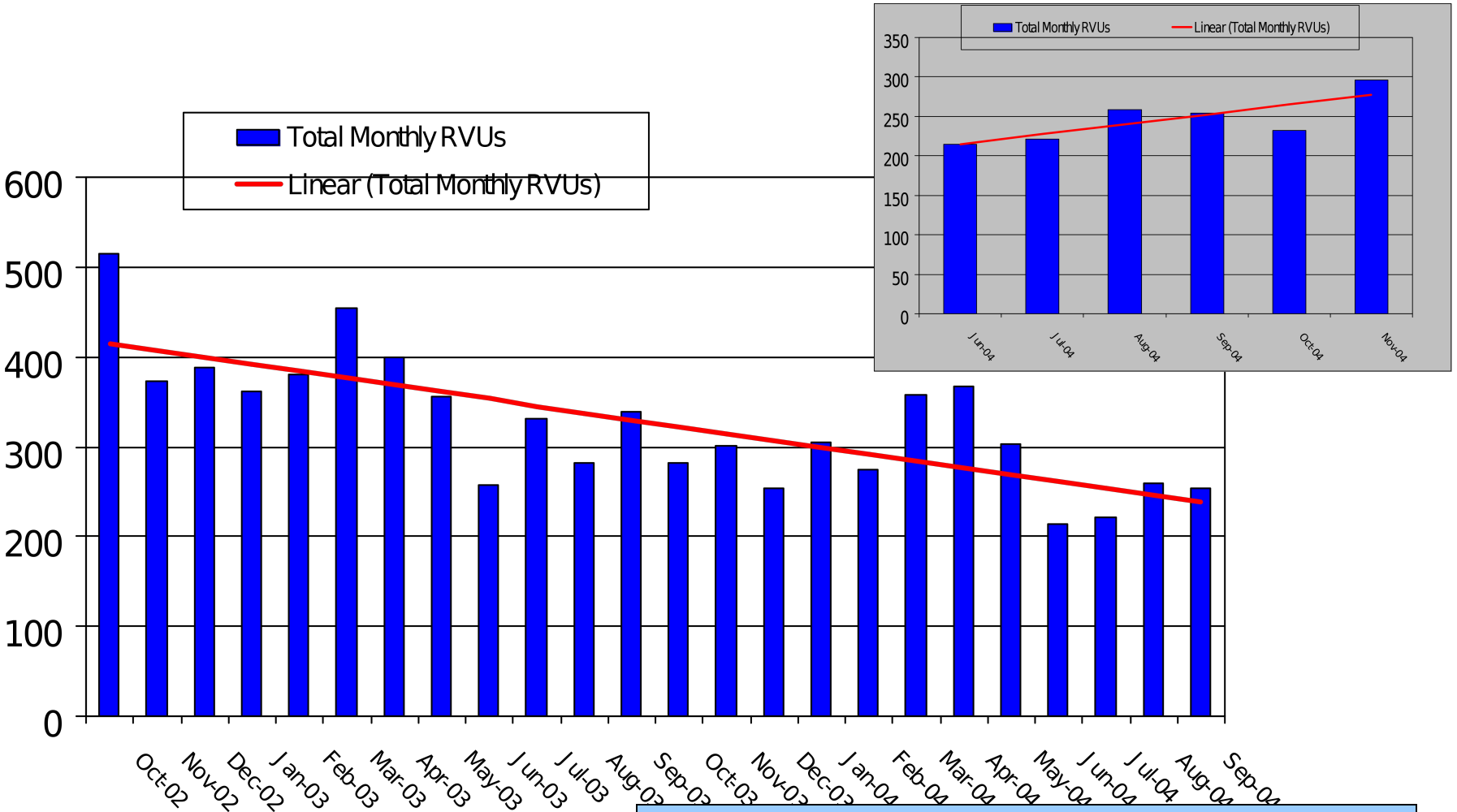
- Pending results

Rheumatology
Sources of RVUs



64% of RVUs are generated from
PRIME under age 65 patients

Rheumatology
FY03-FY04 RVUs



- Decreasing from FY03; increasing last 6 months (inse
- Ensure you're getting credit/coding inpatient consults

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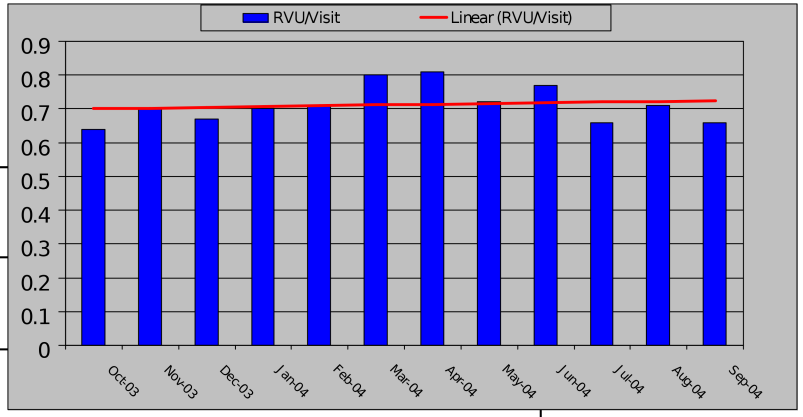
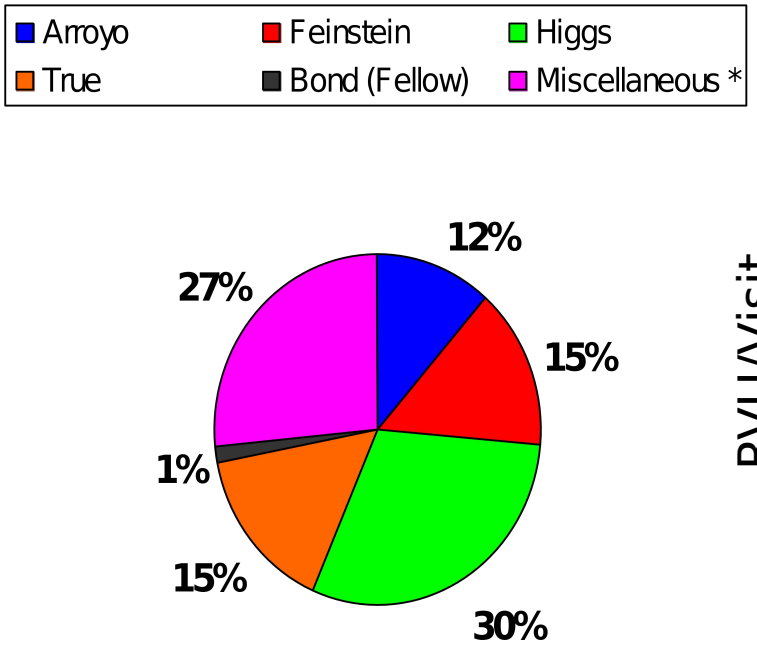
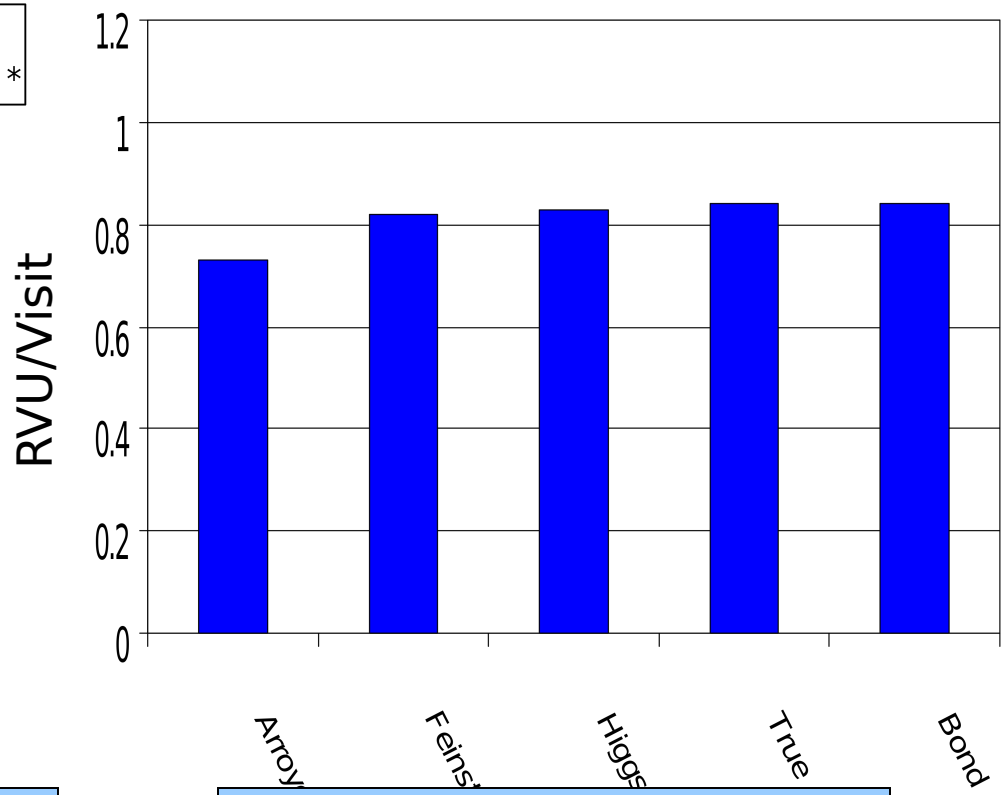
Rheumatology
RVUs/Visit FY03-FY04



- FY03 Avg: .75 RVU/visit
- FY04 Avg: .71 RVU/visit
  - Increasing slightly throughout FY04

Rheumatology
RVUs and RVU/Visit by Provider (FY04)

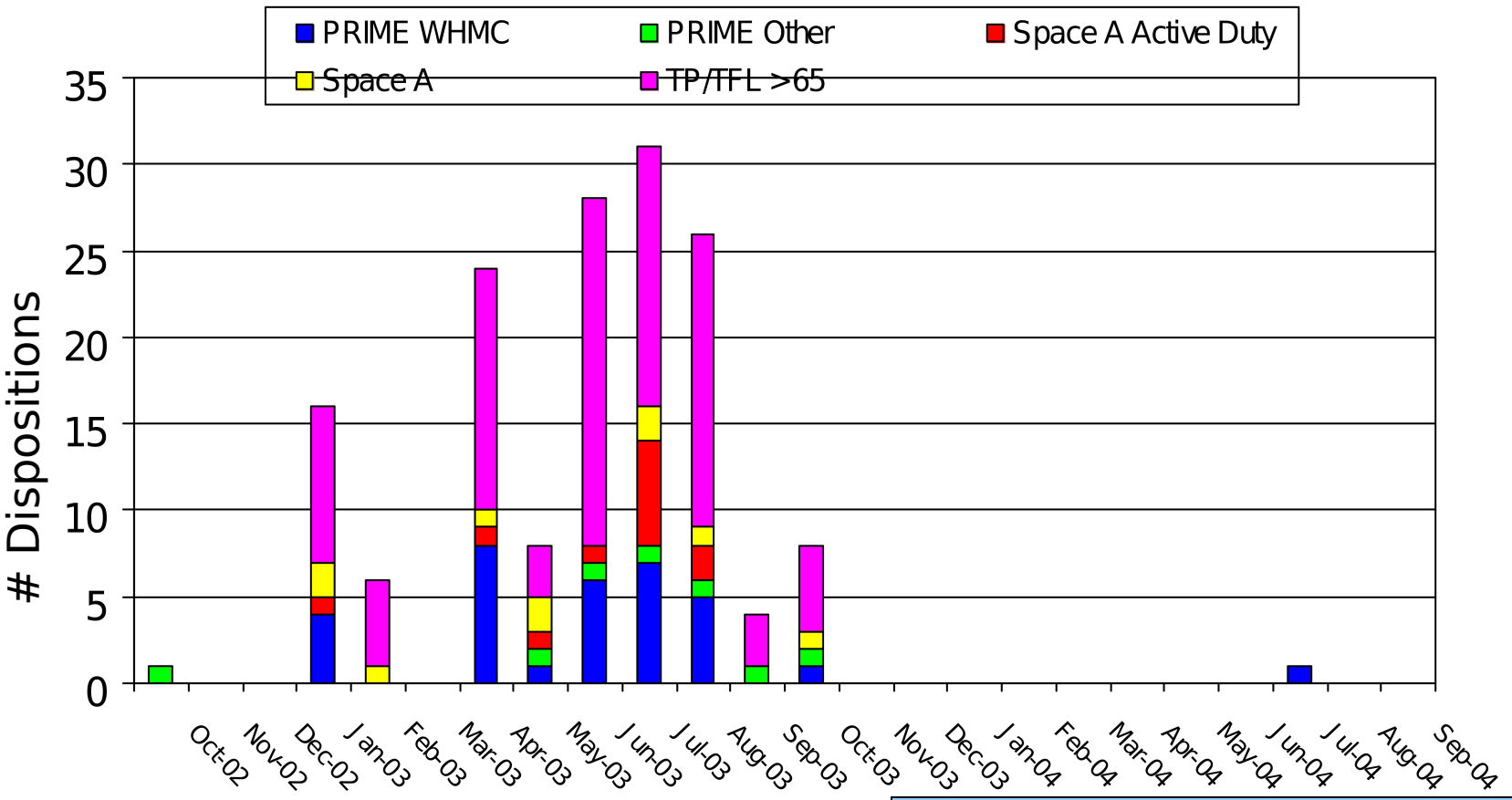




- Dr. Higgs generates most visits & RVUs
- Miscellaneous coded as “Scrood” and
- “Rheum” rather than to indiv provider

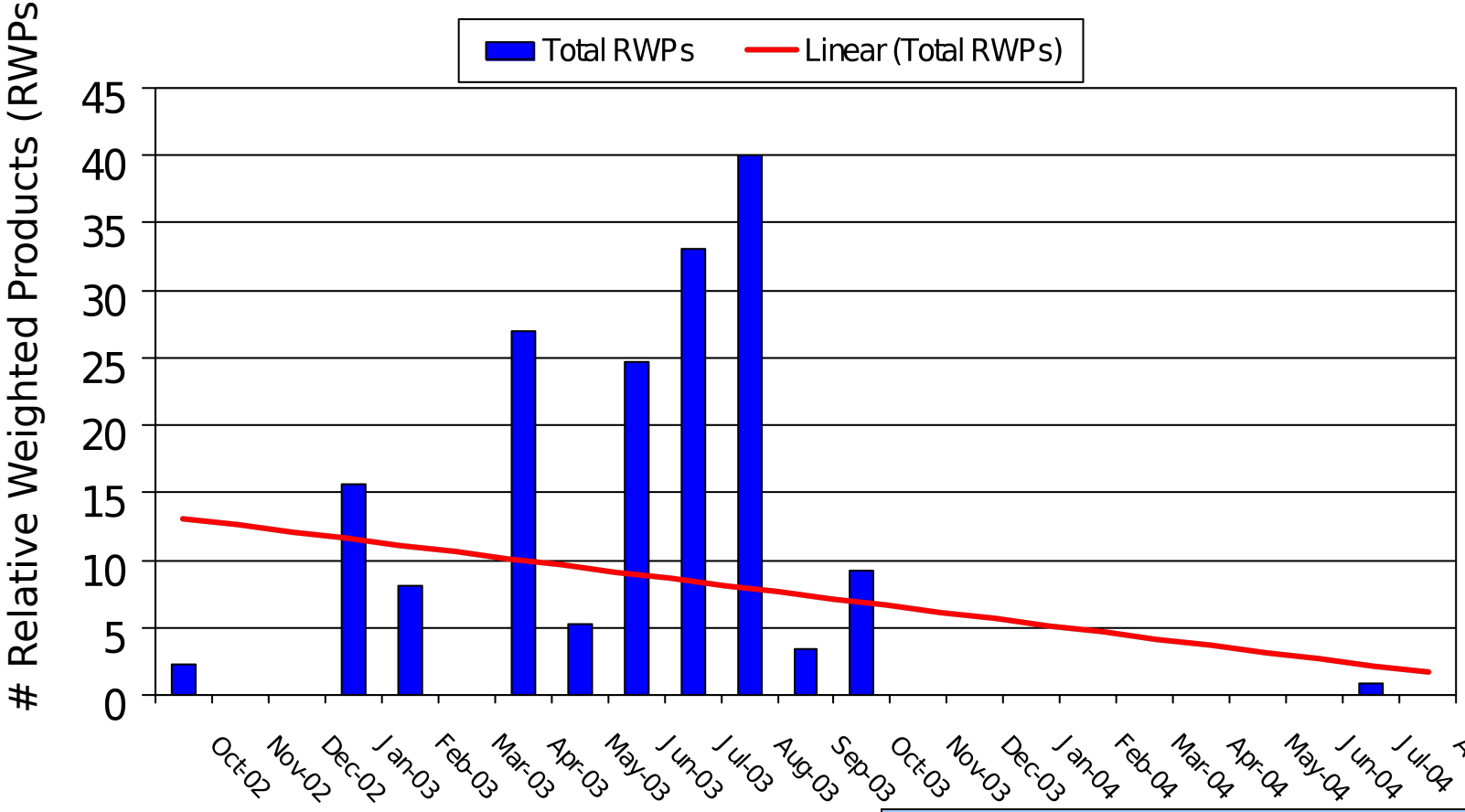
- Highest RVU/visit: Bond and True
- Very similar among providers

Rheumatology
Dispositions by Enrollment Type



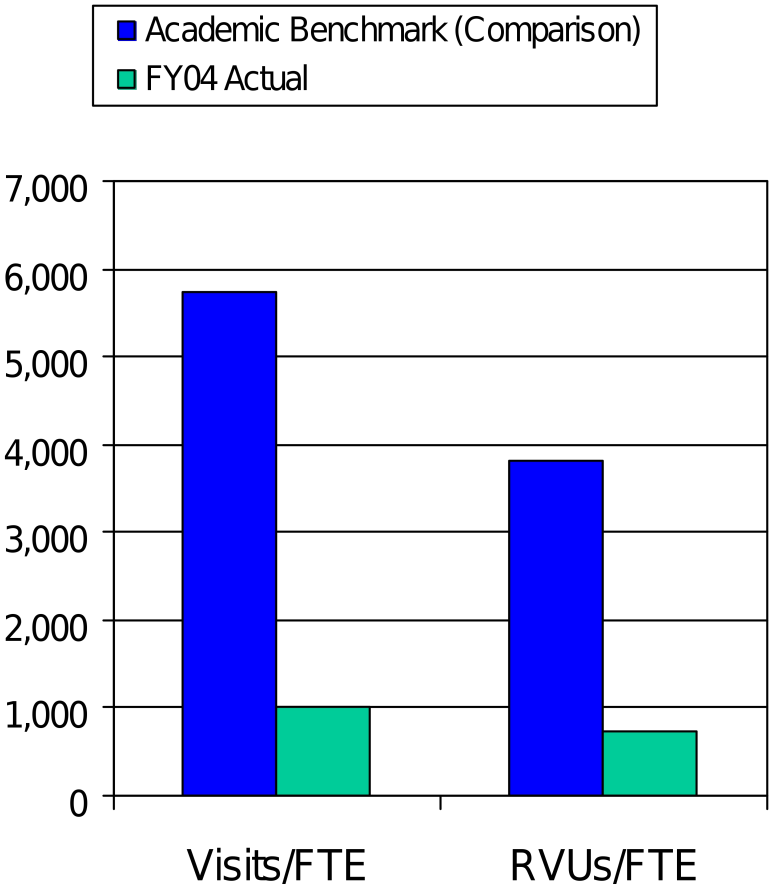
- Does FY03 peak correspond to staff pulling call as admitting 44M?

Rheumatology
Total RWPs FY03-FY04



- Correspond to dispositions; incorrectly Attributed to rheum if not truly rheum Patients but credited by attending

Rheumatology
Benchmark Comparison per FTE



	Avail per Clinic
#FTEs	4.67
FY04 Visits	4,748
FY04 Visits/FTE	**1,017**
Academic Benchmark (visits/FTE)	5,746
% Compared to Acad. Benchmark	18%
FY04 RVUs	3,391
RVU/Visit	0.71
RVU/FTE	**726**
Academic Benchmark (RVI/FTE)	3,806
% Compared to Acad. Benchmark	19%

- Academic standard is 0.66 RVU/visit vs. FY04 WHMC of 0.71 RVU/visit
- Visits and total RVUs fall short of benchmark due to lower number of visits/FTE

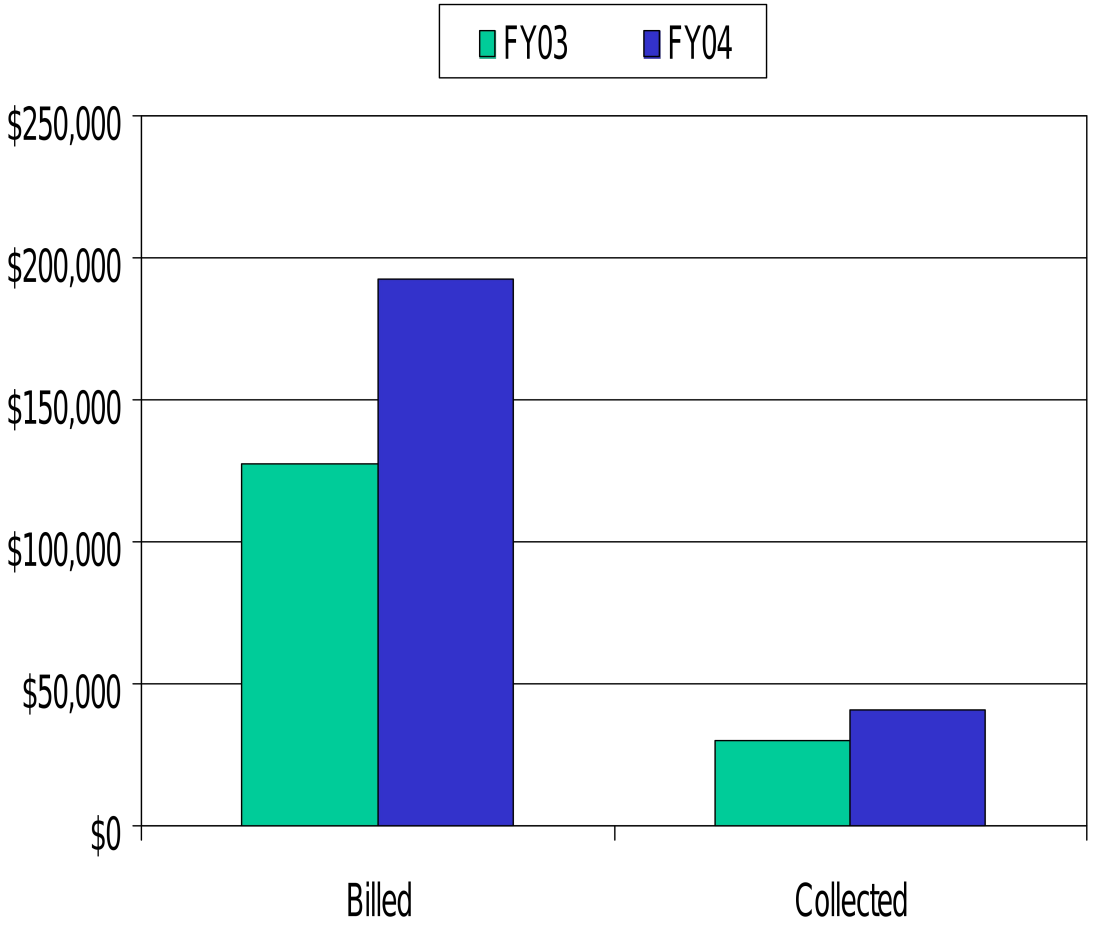
Rheumatology
Business Plan Goals

- In FY05, your targets based on your FY03 Level of Effort (LOE)
- Goal: At *minimum*, focus on meeting/exceeding your FY04 LOE
  - Your FY04 performance compared to FY03 LOE below

Rheum RVUs	FY03	FY04	Difference	$ Impact @ $74/RVU
PRIME WHMC	1,962.00	1,638.00	(324.00)	$ (23,976)
Other PRIME	461.00	396.00	(65.00)	$ (4,810)
Active Duty Unenrolled	90.00	21.00	(69.00)	$ (5,106)
Space A	485.00	247.00	(238.00)	$ (17,612)
TP/TFL (age 65+)	1,441.00	1,089.00	(352.00)	$ (26,048)
Total	4,439.00	3,391.00	(1,048.00)	**$ (77,552)**
Rheum RWPs	**FY03**	**FY04**	**Difference**	**$ Impact @ $6K/RWP**
PRIME WHMC	36.0811	3.2403	-32.84	$ (197,045)
Other PRIME	7.7751	1.5479	-6.23	$ (37,363)

Minimum FY05 Goals:
RVUs: 3391 total or 283 RVUs/mo
RWPs: 493 RWPs or 41/mo

Rheumatology
Reimbursements FY03 vs. FY04



- Billing up 52%
- Collections up 37%
- Rate of collections on the $
  - FY03: 0.24
  - FY04: 0.21

Rheumatology
Next Steps

- Step 2
  - Follow-up: TBD
- Step 3
  - Projected WHMC/BAMC Brief: Mar/Apr 05

Integrity - Service - Excellence

Rheumatology
FY03 Top 20 Diagnosis (Claims Filed)

Primary Diagnosis	Count	Detailed Desc	Amount Paid
71590	1,852	OSTEOARTHROSIS, UNSPECIFIED INVOLVING UNSPECIFIED SITE	$59,258.51
7140	1,792	RHEUMATOID ARTHRITIS	$136,176.11
71596	1,572	OSTEOARTHROSIS, UNSPECIFIED INVOLVING LOWER LEG	$52,916.64
71516	1,540	OSTEOARTHROSIS, LOCALIZED, PRIMARY, INVOLVING LOWER LEG	$73,301.08
71509	956	OSTEOARTHROSIS, GENERALIZED, INVOLVING MULTIPLE SITES	$34,171.69
71690	714	UNSPECIFIED ARTHROPATHY, SITE UNSPECIFIED	$34,333.73
71500	700	OSTEOARTHROSIS, GENERALIZED, INVOLVING UNSPECIFIED SITE	$25,177.27
71515	457	OSTEOARTHROSIS, LOCALIZED, PRIMARY, PELVIC REGION AND THIGH	$12,360.12
71595	434	OSTEOARTHROSIS, UNSPECIFIED INVOLVING PELVIC REGION, THIGH	$11,605.01
71591	362	OSTEOARTHROSIS, UNSPECIFIED INVOLVING SHOULDER REGION	$12,308.07
71536	279	OSTEOARTHROSIS, LOCALIZED, INVOLVING LOWER LEG	$14,529.75
71598	242	OSTEOARTHROSIS, UNSPECIFIED INVOLVING OTHER SPECIFIED SITES	$9,865.33
71594	211	OSTEOARTHROSIS, UNSPECIFIED INVOLVING HAND	$10,074.39
71597	167	OSTEOARTHROSIS, UNSPECIFIED INVOLVING ANKLE AND FOOT	$4,971.39
71511	164	OSTEOARTHROSIS, LOCALIZED, PRIMARY,INVOLVING SHOULDER REGION	$5,267.95
71517	120	OSTEOARTHROSIS, LOCALIZED, PRIMARY, INVOLVING ANKLE AND FOOT	$4,497.24
71504	115	OSTEOARTHROSIS, GENERALIZED, INVOLVING HAND	$3,602.29
71514	106	OSTEOARTHROSIS, LOCALIZED, PRIMARY, INVOLVING HAND	$6,679.93
71691	87	UNSPECIFIED ARTHROPATHY INVOLVING SHOULDER REGION	$5,264.90
71659	71	UNSPECIFIED POLYARTHROPATHY OR POLYARTHRITIS, MULTIPLE SITES	$2,385.08

Rheumatology
FY04 Top 20 Diagnosis (Claims Filed)

Primary Diagnosis	Count	Detailed Desc	Amount Paid
71596	2,192	OSTEOARTHROSIS, UNSPECIFIED INVOLVING LOWER LEG	$90,564.13
71590	2,042	OSTEOARTHROSIS, UNSPECIFIED INVOLVING UNSPECIFIED SITE	$53,513.64
71516	2,007	OSTEOARTHROSIS, LOCALIZED, PRIMARY, INVOLVING LOWER LEG	$118,393.95
7140	1,696	RHEUMATOID ARTHRITIS	$151,335.21
71509	915	OSTEOARTHROSIS, GENERALIZED, INVOLVING MULTIPLE SITES	$28,178.37
71595	763	OSTEOARTHROSIS, UNSPECIFIED INVOLVING PELVIC REGION, THIGH	$35,654.49
71500	568	OSTEOARTHROSIS, GENERALIZED, INVOLVING UNSPECIFIED SITE	$15,134.58
71690	527	UNSPECIFIED ARTHROPATHY, SITE UNSPECIFIED	$21,425.68
71515	481	OSTEOARTHROSIS, LOCALIZED, PRIMARY, PELVIC REGION AND THIGH	$26,042.54
71536	314	OSTEOARTHROSIS, LOCALIZED, INVOLVING LOWER LEG	$22,870.93
71591	270	OSTEOARTHROSIS, UNSPECIFIED INVOLVING SHOULDER REGION	$8,574.55
71598	265	OSTEOARTHROSIS, UNSPECIFIED INVOLVING OTHER SPECIFIED SITES	$8,258.32
71594	193	OSTEOARTHROSIS, UNSPECIFIED INVOLVING HAND	$8,646.33
71511	180	OSTEOARTHROSIS, LOCALIZED, PRIMARY,INVOLVING SHOULDER REGION	$8,011.94
71100	158	PYOGENIC ARTHRITIS, SITE UNSPECIFIED	$11,793.66
71589	143	OSTEOARTHROSIS, MULTIPLE SITES, NOT SPECIFIED AS GENERALIZED	$7,265.30
71514	137	OSTEOARTHROSIS, LOCALIZED, PRIMARY, INVOLVING HAND	$11,438.64
71597	123	OSTEOARTHROSIS, UNSPECIFIED INVOLVING ANKLE AND FOOT	$6,854.15
71696	122	UNSPECIFIED ARTHROPATHY INVOLVING LOWER LEG	$9,114.95

Threat

- EXTINCTION
  - No one in blue meets RRC requirement to become the next program director
    - RRC requires for PD to have 5 years as an active faculty member in a rheumatology training program
  - Loss our training program if RRC rules violated
    - Cannot be below minimum RRC staffing for more than 90 days: one deployment
    - With current staffing (4 key faculty members) we are able to support deployments

Rheumatology Manpower

Location	03-04	04-05	05-06	06-07	07-08
– WHMC (5)	3(1)	3(1)	2 (1/2)	?	?
– W-P (2)		1	1	1	?	?
– Keesler	(2)	**1**	**1**	**1**	**1**	**1**
– Travis (2)	1	1	1	1	0	
– M-G (1)		0	0	0	0	0

- Down by 50%, from 12 practicing AD rheumatologists in 1995 to 6 in 2003
  - 3 others in administrative positions
- Bottom line: Only 2 AD rheumatologists AF wide by 2007, none at WHMC by 2007 (maybe 1)

Rheumatology: Patient Care

- 400 – 500/month
- SPEC
  - 40 per month (30 TP)
  - 3,059 adults TP encounters/yr + 164 pediatric = 3,223
  - 1,643 non prime encounters
- Review 550 DMARDS/month
  - No counts for DMARD and T-cons
- Cost effective and productive service
  - Number of patients per provider is higher than IM, Allergy, GI, ID, and Nephrology

WHMC Rheumatology Duties

- Internal Medicine Service
  - 3 months (2/staff, 1 for Flt CC)
- Osteoporosis Clinic
  - 4-2 month/year
- Biologics Infusion Center (only one in DOD)
- Pediatric Rheumatology clinic
  - Only facility in the Air Force
  - 3 new consults/mo
  - 164 encounters/yr
- USUHS and HPSP medical students
  - Clinics & Wards
- Readiness
  - 3 AEF, 1 IHS

Miscellaneous

- Recruitment difficult
  - Nation-wide shortage
  - Only two Humana TRICARE rheumatologists in SA
- Rheumatology patients
  - Long term follow-up
  - Medications careful monitoring, time, effort
  - Misconceptions: Age

TRICARE PRIME IMPACT

- Average of 30 new TP adults rheum consults/mo
  - $312/consult = $9,360/mo = $112,320/yr
- Average of 3 new pediatric rheumatology consults/mo
  - $312/consult + $146/day TDY = $458/consult
  - $1,374/mo = 16,488/yr
- Inpatient Rheumatology consult service (24/7)
  - 5/week = $187/pt X 5 = $935/week = $44,880/yr
  - inpt f/up = $64.00 X 2 = $128 X 5 pts = $640/wk = $33,280
- To send all of our TP new consults to network will cost
  - $206,968

TRICARE PRIME IMPACT

- Biologic infusions
  - $248/infusion + medicine cost $2,500 (4 vials) = $2,748 q 4-8 weeks/patient
  - Currently receiving infusions at WHMC = 43 patients
    - $2,748 x 43 = $118, 164 X 6x/yr = $708,984/yr
- Annual total TP f/up for rheumatology clinic = 3,223 encounters
- $113/pt/fup visits x 3,223 = $364,200 (Based on highest cost/visit w/out ancillary services)
- Annual ancillary rheumatology costs are substantial; best guess doubles MD fees/yr = $364,200
- Annual TRICARE PRIME cost savings for rheumatology service = $1.28M ($1.64M w/ estimated ancillary services)

Other impact

- Loss of training for IM, Orthopedics, USHUS, Pediatric and Dermatology residents
- Decreased deployment pool
- Loss of other provider time to cover IM ward duties
- Loss of consultation service to USAF like MEB, FPEB and aerospace medicine (all pilots with arthritis must be seen by a WHMC rheumatologist-new aircrew standard)

Options

1. Close the program send trainees to civilian program
2. Recruit AD PD from other services
   a. Navy: none meets RRC qualification for rheum PD
   b. Army: 2 members will meet qualifications (none interested)
3. Joint with UTHSCSA:
   a. Has minimum to keep their program
   b. Faculty not willing to take primary call
4. Employ Dr Higgs as PD:
   a. Slated for chairman of medicine & will only take a GS
5. Contract PD until Dr True meets RRC qualification (2007)
   a. “Part time contract” 3 days/week
   b. Full time contract: ***To contract a Rheumatology doctor + benefits $194K (source: TRICARE West-contracting officer-www.salary.com)***

Recommendation

1. First choice is option # 2 bring an army PD
   - Non volunteer facing similar shortages by 2007
2. Second choice is option # 5 hire part time contract for 2 years
   - Would require immediate contract availability and recruitment effort
3. Additional suggestion: Augment staffing with Col DesRosier
   - Will allow us to support deployments